

NOTE: MUR 4952 ORIGINATED IN PRE-MUR 358/MUR 4884
SEE CERTIFICATION DATED DECEMBER 8, 1999

24-01-107-4390



U.S. Department of Justice

Campaign Financing Task Force
Criminal Division

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January 25, 1999

VIA FACSIMILE and U.S. MAIL

Lois G. Lerner, Esq.
Associate General Counsel
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20468

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
JAN 25 11 15 AM '99

RE: Future Tech International Inc. et. al. (PRE-MUR 358)

Dear Ms Lerner:

This is to refer the related cases of Future Tech International Inc. ("FTI"), Louis Leonardo, Juan Ortiz, and Gregorio Narvasa to the Commission for its administrative action.

As you know, the Campaign Financing Task Force has conducted an investigation into numerous violations of the federal campaign financing laws by FTI, its Chief Executive Officer, Mark Jimenez, and several other senior officers of FTI. In October 1998, a federal grand jury returned an indictment against Mark Jimenez alleging, in part, a conspiracy to impair and impede the Commission's enforcement of the federal election laws. Mark Jimenez is presently a fugitive believed to be living in the Philippines. On December 21, 1998, FTI entered into a plea agreement with the Department of Justice in which it would plead guilty to two felony violations of the federal tax laws arising from its willful and fraudulent deduction of a \$100,000 contribution to the Democratic National Committee (DNC) and its payroll reimbursement of employees' contributions to various candidates for federal office. On January 5, 1999, Juan Ortiz, FTI's Chief Financial Officer, pleaded guilty to a single violation of 2 U.S.C. § 441(f) resulting from his actions to reimburse campaign contributions at the direction of Mark Jimenez. As part of these plea agreements, the Justice Department will forebear further criminal prosecution of Ortiz and certain FTI officers so long as they cooperate fully in the government's continuing investigation of Mark Jimenez and others. Nothing in these agreements, however, preclude appropriate administrative action by the Commission.

Ms. Lois G. Lerna, Esq.
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In view of the above, FTI's counsel has proposed a conciliation of its and its senior officers' violations of the federal election laws. (While lower level FTI employees also participated as conduits in FTI's payments to political campaigns, they did so under the direction of FTI's senior officers). As part of this conciliation, FTI will admit that it made two \$50,000 contributions to the DNC at a time when Mark Jimenez, its chief decision-making officer, did not possess a green card and 44 smaller contributions to candidates for federal office. FTI's counsel has also represented that certain FTI officers -- Leonardo, Keller, Ortiz, and Narvasa -- will join in the proposed conciliation and admit to participating in the conduit contributions. (Each of these officers, however, are represented by separate counsel who must also be consulted). The specific circumstances of these violations are detailed in the factual resumes by FTI and Ortiz that were previously provided to you. These factual resumes are also filed in federal district court.

In the conciliation, FTI proposes to pay \$189,000 for its violations and \$5,000 each for its officers' violations, a total of \$209,000. (You may wish to specify that the officers pay their penalties personally). FTI's proposed penalty will be in addition to the \$1 million criminal fine that FTI will pay for its related criminal violations.

It is intended that the Commission's acceptance of the proposed conciliation will end all further action against FTI and the named officers for all violations of the Federal Election Campaign Act that are disclosed by FTI and its officers. However, FTI and its officers agree that the proposed conciliation will not bar further civil action against them for violations that are not disclosed and they will waive the statute of limitations as to any undisclosed violations, provided a complaint is filed within three years of the date the conciliation order is finally executed.

Further questions about this referral may be directed to myself or Kevin Kelcourse at the Campaign Financing Task Force. If this proposal is acceptable, we would appreciate your efforts to draft an agreement which is satisfactory to the Commission.

Sincerely,


Michael E. Savage
Trial Attorney

CC: Eric Bloom, Esq.